

November 8, 2023

(Translation)

Dear all,

Name of Company: SEGA SAMMY HOLDINGS INC.  
 Name of Representative: Haruki Satomi,  
 President and Group CEO,  
 Representative Director

(Code No. 6460, Tokyo Stock Exchange Prime)

Further Inquiry: Makoto Takahashi,  
 Executive Vice President,  
 Executive Officer,  
 Managing Director of  
 Corporate Planning Division  
 (TEL: 03-6864-2400)

#### Notice of Revision of Operating Results Forecast

SEGA SAMMY HOLDINGS INC. (the “Company”) hereby notifies that it has revised its full-year operating results forecast announced on April 28, 2023 as follows.

#### Description

Revisions to full year consolidated operating results forecast for the fiscal year ending March 2024 (April 1, 2023 to March 31, 2024)

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (Yen)
Previously announced forecast (A)	433,000	55,000	58,000	40,000	181.20
Revised forecast this time (B)	474,000	60,000	63,000	35,000	158.54
Amount of increase or decrease (B-A)	41,000	5,000	5,000	(5,000)	—
Rate of increase or decrease (%)	9.5	9.1	8.6	(12.5)	—
(Reference) Operating results for the previous fiscal year (Fiscal year ended March 31, 2023)	389,635	46,789	49,473	45,938	208.07

(Reference: Per segment breakdown of full-year operating results forecast for the fiscal year ending March 2024)

(Unit: million yen)

Segment		Previously announced forecast (A)	Revised forecast this time (B)	Amount of increase or decrease (B-A)
Net sales	Total	433,000	474,000	41,000
	Entertainment Contents Business	305,000	327,000	22,000
	Pachislot and Pachinko Machines Business	115,000	134,000	19,000
	Resort Business	12,000	12,000	—
	Others/Eliminations, etc.	1,000	1,000	—
Ordinary income	Total	58,000	63,000	5,000
	Entertainment Contents Business	45,000	36,500	(8,500)
	Pachislot and Pachinko Machines Business	25,000	39,500	14,500
	Resort Business	0	0	—
	Others/Eliminations, etc.	(12,000)	(13,000)	(1,000)

■ Reasons for revision of full year consolidated operating results forecast

While Consumer area in Entertainment Content business is expected to perform below the previous forecast, Pachislot and Pachinko Machines business is performing strong. As a result, sales and ordinary income are expected to exceed the previous forecast. On the other hand, due to the recording of structural reform losses associated with the review of title portfolio in each European bases, etc., which was announced on September 28, 2023, as extraordinary losses, profit attributable to owners of parent is expected to fall short of previous forecast.

Since it is difficult to calculate a reasonable tax rate at this stage, profit attributable to owners of parent is calculated at a simplified tax rate of 30%.

The status by business segment is as follows.

(Entertainment Contents Business)

In the Consumer area, especially new titles developed by European studio and repeat titles in Full Game went lower than expected. Also decided to terminate service of new title in F2P due to weak performance. On the other hand, the performance of Rovio Entertainment Corporation, acquired on August, was incorporated into consolidated financial results from September. As a result, we expect the sales exceed and ordinary income fall short of previous forecast.

In the Amusement Machine area, ordinary income is expected to fall below previous forecast due to impact of raw material price hikes caused by yen depreciation, while sales have been performing strongly due to the strong demand on prize category.

(Reference: Per sub-segment breakdown of Entertainment Contents business)

(Unit: million yen)

Sub segments		Previously announced forecast (A)	Revised forecast this time (B)	Amount of increase or decrease (B-A)	
Net sales	Breakdown	Total	305,000	327,000	22,000
		Consumer area	205,000	227,500	22,500
		Amusement Machine area	63,500	65,000	1,500
		Animation / Toy area	36,000	34,000	(2,000)
		Others/Eliminations, etc.	500	500	0
Operating income	Breakdown	Total	43,500	34,500	(9,000)
		Consumer area	36,000	30,000	(6,000)
		Amusement Machine area	5,000	4,000	(1,000)
		Animation / Toy area	4,500	3,800	(700)
		Others/Eliminations, etc.	(2,000)	(3,300)	(1,300)

(Pachislot and Pachinko Machines Business)

Move the launch timing of some titles to next fiscal year in both pachislot and pachinko with consideration of the status that mainly sales of pachislot machines has been exceeded the level of expectation at initial forecast. In pachislot, we revise the unit sales forecast to 178,000 units (146,000 units in the previous forecast) in response to particularly strong sales of smart pachislot including *Smart Pachislot Hokuto No Ken*. In pachinko, we revise the unit sales forecast to 84,000 units (93,000 units in the previous forecast) associated with moving of launch timing of some titles. Both sales and ordinary income are expected to exceed the previous forecast as the performance of pachislot, which margin is relatively high, has been progressing exceeding the previous forecast.

(Resort Business)

The forecast is expected to remain at the same level as the previous forecast, as demand for both domestic and overseas travel continues to show a recovery trend and revenues are recovering in line with the initial forecast.

\*The operating results forecast and other figures contained in this document are made based on information available as of the date of publication of this document. Actual results may differ from the projected figures due to various factors going forward.

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